

GROUP 2 QUESTIONS & ANSWERS**16 January 2004**

The following list of industry questions and Government responses shall not be construed as changing any of the terms, conditions, or requirements of the RFP. Any changes to the RFP will be made in an amendment issued on a Standard Form (SF) 30.

1. The “teaming” which will result in Sub-Contracts are “directed sub-contracts” and this should be so stated in the Contract.
 - Government Response: Provision L-24 addresses the required subcontracting arrangements of the RFP. After further discussion with industry, the Government understands that industry submitted the above comment because it is concerned that it may not comply with the Competition in Subcontracting clause of the contract (Section I Clause 52.244-5) if these subcontracting requirements in the RFP are not also included in a clause that will be included in any resulting contract. This Section I clause states, in part, that the “Contractor shall select subcontractors (including suppliers) on a competitive basis to the maximum practical extent consistent with the objectives and requirements of the contract.” Amendment 0002 incorporates Clause H-58, REQUIRED SUBCONTRACTING ARRANGEMENTS, into the RFP. This clause, which will be included in any contract resulting from this RFP, will provide a definitive contract requirement to subcontract with the European industry partners listed in Provision L-24. Therefore, the requirements of Section I Clause 52.244-5 will be met for the subcontractors the offeror chooses to employ to meet the requirement of Provision L-24.
2. In order to price travel for the PMR’s, please advise of locations. E.g. rotate among which locations.
 - Government Response: The Government anticipates that the Program Management Review (PMR) meetings will rotate among the various industry partners, including the European subcontractors. Since 12 PMRs are anticipated, this would equate to two PMR meetings hosted by each of the following companies: DLS in either New Jersey or Iowa; ViaSat in California; Marconi Selenia in Italy; Thales Communications in France; Indra Sistemas S.A. in Spain; and EADS Deutschland GmbH in Germany. It is the responsibility of the offerors to ensure that they and their subcontractors coordinate the locations of all of the PMRs so that all proposals received by the Government are consistent. Provision L-23-1.1 is modified by Amendment 0002 to reflect this direction.

3. A mechanism for payment of the European Sub-Contractors must be established and the manner in which the exchange rate between Euros and dollars should both be definitive in the Contract.

➤ Government Response: Amendment 0002 incorporates Clause H-59, REFERENCE CURRENCY AND FIXED RATES OF CURRENCY EXCHANGE, into the RFP. This clause establishes the US dollar as the reference currency that will be used for all costs, fees and prices in the contract. This clause also fixes the rate of exchange between the euro currency and the US dollar currency. Provision L-23 has been revised to instruct offerors to price all European subcontractor proposals in the euro currency. Section G will be modified in a future amendment to include provisions for European subcontractor payment. The Government envisions that the prime contractors will submit European subcontractor vouchers to the Government without converting these vouchers to dollars. The Government will then pay the first-tier European subcontractors directly in euros.

4. The negative schedule incentive penalties should be corrected in the RFP per the presentation in Paris.

➤ Government Response: Amendment 0001 to the RFP changed Clause B-5 to address this concern.

5. The issue of third party sales clause and levies needs to be addressed by the Government.

➤ Government Response: The Government has asked industry to fully identify in writing all associated third party issues. Until the Government receives industry's full set of concerns, the Government cannot address this comment.